Abstract of the Disclosure

When an advertisement break is detected on a program channel stream, demographic data is obtained which is descriptive of the subscribers who are currently watching material from the program channel stream, and one or more streams containing substitute advertisements are generated based on the demographic data. The substitute advertisements in each stream, thus generated, are targeted at a different demographic group of the subscribers. The number of substitute advertisement streams corresponds to the number of unused transmission channels allocated for transmission of such streams. Groups of subscribers' set-top terminals (STTs) are directed to tune to the allocated transmission channels during the advertisement break to receive the substitute advertisement streams, respectively. Consequently, the subscribers are shown the substitute, targeted advertisements instead of the regularly-scheduled advertisements.